

RESEARCH ARTICLE

Advice-seeking and advice-utilization for hiring decisions: An investigation of a partially outsourced recruitment process for rank-and-file managers

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We study a large-scale, partially outsourced recruitment process. A specialized consultancy assesses applicants' soft-skills on behalf of a client firm, who retains agency over the hiring decision. We conceptualize this collaboration as an advice-seeking, advice-utilization process and analyze the effectiveness of hiring recommendations provided in influencing the client's hiring decisions. Two external HR specialists not only differ in their soft skill ratings, but also differ in their aggregation of these ratings into their hiring recommendations. The consultants' recommendations are particularly helpful in separating very suitable from clearly unsuitable candidates but are less effective in the mid-tier of the skill distribution.

1 | INTRODUCTION

Every individual career begins with being recruited for a job, and the quality of every employment relationship roots in this initial match between the organization and its future employee. Yet, hiring employees is a complex process, and decision-makers in hiring firms increasingly turn to human resources (HR) consultancies for help and advice. In this paper, we investigate the consequences of seeking such consulting advice. Specifically, we analyze a large-scale recruitment process in which a professionally specialized consultancy assesses applicants' soft skill endowments on behalf of a client firm. The client seeks to fill approximately 100 vacancies. The consultancy rates job applicants' soft skills, reports scores for key job competencies, and provides hiring recommendations. Further, it documents these suggestions and informs about the assessment criteria. The client, that is, the advice-seeking company, retains agency and makes the hiring

decisions based on the advice and information received from the consultancy.

We conceptualize the seeking of information and hiring recommendations as help-seeking behavior (Brooks, Gino, & Schweitzer, 2015). Generally speaking, help-seeking is "the act of asking others for assistance, information, advice, or support" (Hofmann, Lei, & Grant, 2009: p. 1262). In employee selection, informational asymmetries about hard and soft skill endowments can lead to hiring and matching inefficiencies. Candidates do not necessarily reveal their private information to the potential employer and may wrongfully signal that they possess skills, which they actually do not command. Adverse selection and moral hazards are therefore omnipresent in hiring decisions (Sobel, 2013; Spence, 1973).

Employee selection, especially for large-scale recruiting processes, provides a prime example where employers rely on external advice to overcome their own limitations in information, knowledge, or

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experience (Reyt, Wiesenfeld, & Trope, 2016). In surveys, client firms report that they seek such expert advice second only to the general motive of reducing process costs (Dapper, 2013; Savino, 2016). Not surprisingly, the market for recruitment consulting services is outpacing other industry segments for the past 2 decades. In times of a widely proclaimed importance of recruiting scarce talent, recruitment process outsourcing (RPO) is one of the fastest growing consulting services, with global growth rates of 22% from 2013–2015, 14% from 2015–2017, and 3.3 billion U.S. dollars in contract revenue in 2017.¹

The present research evaluates whether a recruitment consultancy's HR specialists provide information that influence the perceptions of a hiring company about potential hiring candidates. In particular, we explore how the advice provided by such specialists sways the hiring decisions of the advice-seeking client company. Generally, chances for advice-utilization increase if the advisors provide discrepant opinions and offer perspectives, which contrast with the advice seeker's presumptions. However, while as advisors, HR specialists serve the advisee's interest best by drawing on their professional expertise to inform; as consultants, they must also meet their client's consent. Empirically, we therefore analyze how HR specialists form their hiring recommendations, the degree to which they rely on divergent or convergent criteria for their recommendations, and lastly, assess the level of congruence between their hiring recommendations and the client's hiring decisions. Our goal is to understand the relationship between advice giving and advice-utilization in a partially outsourced recruitment process.

Our line of inquiry carries several important theoretical and practical insights. First, we break new ground by considering the HR decision-making process using actual field data and by focusing on the advice-seeking and advice-utilization process. In fact, very little is known about the quality of HR consulting advice and its effects on realized hiring decisions by client firms. In particular, we extend prior research by exploring the consequences of individual advice on hiring decisions; we juxtapose the benefits and pitfalls of these decisions versus those, which, potentially, could have been derived from consensus recommendations. Second, we discuss the benefits and caveats of using external advisors in recruitment processes. Specifically, we show that seeking outside advice affects the quality of matching applicants with the hiring firm. Third, we identify incongruences with respect to advice-seeking and advice-utilization. In doing so, we open up the "black box" of value creation in the HR consulting business. We analyze in particular the extent to which HR consultants offer a poignant assessment of candidates, the extent to which the client follows their advice, and the effectiveness of their recommendations in influencing the client's subsequent hiring decisions. Along these lines, our results also provide a methodological framework to better understand hiring biases and to overcome situations that inherit the potential for functional, personal, and sociodemographic inbreeding (Smith & White, 1987).

We propose that the hiring firm seeks advice to obtain a better-informed opinion but also to overcome the burden of responsibility

and to avoid being blamed for hiring candidates that later fall short of expectations. In line with this reasoning, the HR consultants deviate from the initial default preferences of the hiring firm and recommend a large variety of candidates. Although the hiring firm shies away from drawing up a sharp hiring profile, the advisors provide their recommendations based on distinct preferences. Importantly, their suggested competency profiles improve decision-making in the hiring firm. The consultants' recommendations are particularly helpful in separating very suitable from clearly unsuitable candidates. Due to the consultancy's more poignant soft skill scoring, the hiring firm must still act agentic in the mid-tier of the soft skill distribution.

The remainder of our paper is organized as follows. The next section explains the source and quality of the data and develops the theoretical background for our investigation. Section 3 contains our empirical investigation. Section 4 presents our results. Section 5 discusses our findings in light of implications, limitations, and avenues for future research. Section 6 concludes.

2 | BACKGROUND

2.1 | Advice-seeking during the recruitment process: The case

We observe a large-scale recruitment process for rank-and-file management positions. The Western European logistics corporation Logistics Manager (not the company's real name) seeks to fill up to 100 vacancies. All of these jobs are positioned on the same hierarchical level and share the same job description. Successful candidates must possess a tertiary degree in business or a closely related field.

Advertising the positions attracts roughly 1,000 applications.² Logistics Manager therefore decides to ask for help in organizing this recruitment process. To this end, it hires the internationally operating human resources consultancy Soft Recruiter (not the consultancy's real name). Soft Recruiter is organized as a partnership and specializes in soft skill assessments. The recruitment consultancy administers an assessment center to evaluate the applicants' soft skill endowments and to provide a hiring recommendation for the client company. The client company retains agency in subsequent hiring decisions.

In the first stage of the hiring and consultation process, Logistics Manager's human resources and Soft Recruiter's executive management jointly preselect applicants on grounds of formal education and professional experience. After sifting through the applications, Soft Recruiter and Logistics Manager agree to invite approximately 400 applicants to participate in the assessment center.

In the second stage, Soft Recruiter's assessors evaluate the applicants' soft skill profiles. The two assessors are characterized as

¹Everest Group (2018).

²To further protect the identities of the consultant and its client firm, we do not provide exact figures on the numbers of applicants and participants in the recruitment process. For the same reason, we collect a random sample of 300 individuals from the pool of participants for our analysis. There are 281 complete observations. In a formal letter of confidentiality, the consultant company and we have agreed on the descriptive information regarding the two firms and the assessors, which we disclose in this paper.

follows. Assessor 1 is a woman from the USA who is regularly employed by Soft Recruiter. She is fluent in the local language. Assessor 2 had a career as head of human resources in a large corporation. Since leaving this position, he has been self-employed as HR consultant. The assessors rate the preselected applicants' soft skills, aggregate their ratings to evaluate candidates according to key job competencies that are defined by Soft Recruiter's management, and provide hiring recommendations.

Applicants are scheduled to enter the assessment center in groups of eight. Soft Recruiter assigns one of two assessors to each of these groups, to observe and rate the applicants' behaviors and performances in the assessment exercises. To assess candidates, a so-called in-basket exercise asks applicants to organize tasks on behalf of a fictitious third person, and a group discussion exercise asks applicants to find a solution to accelerate a company process.³

Observing their assigned groups, Soft Recruiter's assessors initially rate applicants according to eight different soft skill items: Emotional Stability, Openness/Extraversion, Criticism/Conflict Resolution Skills, Teamwork Skills, Communication Skills, Decisiveness, Self-Organization Skills, and Systematic Approach. Item ratings are done on a 7-point Likert scale with anchors at 7 for *exceptional* and 1 for *poor*.

Subsequently, the assessors are asked to aggregate subsets of their 8-item ratings to evaluate applicants in terms of three key job competencies. Personal Competency aggregates the ratings for the items Emotional Stability and Openness/Extraversion; Social Communication Competency comprises Criticism/Conflict Resolution Skills, Teamwork Skills, and Communication Skills; and Activity/Leadership/Time Management collects the item ratings for Decisiveness, Self-Organization Skills, and Systematic Approach.⁴ Logistics Manager did not provide a profile of required soft skills needed for the job and assessors work without a formal rule on how to carry out these aggregations. Finally, the recruiters formulate hiring recommendations. They state whether the applicant is well-suited, suited, or not suited for the job.

Nonetheless, Logistics Manager exclusively makes the hiring decisions. In the third stage, Logistics Manager invites all applicants who participate in the assessment center for interviews by line managers and further testing of their cognitive and professional skills. For reasons of confidentiality, Logistics Manager did not uncover its notes and test data for this research. However, we know the final hiring decisions.

2.2 | The need for advice-seeking by the hiring firm

Generally, having choices and in particular, having the right to choose, is the *sine qua non* of modern economies. Individuals cherish choice autonomy and eschew unsolicited advice, and a lack of choice can

threaten happiness and, at the extreme, even well-being (Fitzsimons & Lehmann, 2004; Steffel & Williams, 2017; Usta & Häubl, 2011). Yet when facing difficult choices, those choices that involve ambiguity, uncertainty, and where decision-makers are to be held accountable for their choices, decision-makers delegate, ask for advice, or opt for default options (Anderson, 2003; Steffel & Williams, 2017). Prior research has shown that increasingly, decisions that are more difficult undermine the decision-makers' confidence (Steffel & Williams, 2017). If decision-makers feel that it is more likely that they may regret their choices (Zeelenberg, 1999), they become more likely to avoid (or at least delay) their decision-making (Anderson, 2003; Janis & Mann, 1976).

When individuals ask for help, they expect to reduce the costs of achieving an expected outcome. When asking for advice, individuals are seeking out solutions or processes to address a potential challenge. In the hiring case, which we investigate, Logistics Manager is asking for advice regarding which candidates to hire. More importantly, its management wishes to obtain a reasoning that can serve to justify its decisions. Noteworthy, in our instance, advice-seeking is markedly different from pure help-seeking behavior; the advice recipient, Logistics Manager, explicitly asks for a prescriptive course of action and, yet, retains full agency in the decision-making process. The quality of this advice-seeking–advice-utilization process relies on informational congruence between the advisor and the advisee.

Uncertainty over outcomes is always prevalent for those making the decision; although in ex-post evaluations, negative outcomes oftentimes appear inevitable and obvious (El Zein & Bahrami, 2019). If individuals perceive a decision to be complex and potentially difficult, they tend to avoid this decision-making situation (Steffel & Williams, 2017). Evidently, decision-makers face the risk of being personally blamed if their decisions lead to unsatisfactory results. Individuals who are asked to take difficult decisions therefore experience regret, blame, and the burden of responsibility of a potentially nonoptimal decision (Schneider & Leyer, 2019). Importantly, incentives to avoid taking responsibility for others are not just based on personal beliefs. Rather, prior work has shown that poor decision-making leads to real consequences for those who had to decide; they are evaluated negatively themselves even if results are not entirely negative (Kruger, Burrus, & Kressel, 2009).

When the potential consequences of decisions are significant, individuals wish to cede decisions to others (Steffel, Williams, & Perrmann-Graham, 2016). Hence, Edelson, Polania, Ruff, Fehr, and Hare (2018) report that many of the subjects in their experiments exhibit responsibility aversion; they were not willing to assume responsibility for others and therefore refused to lead. This responsibility avoidance is exacerbated by the fact that poor choices often induce more exposure and attention than good choices (Steffel et al., 2016). Hence, individuals wish to avoid bad outcomes rather than getting credit for good outcomes.

Consequently, individuals who are faced with more difficult decisions are also more open for decision support and ex-ante reviews of decisions. This logic is consistent with studies on delegation, which

³On the preferred use of such exercises in Western Europe compared to other parts of the world, see, for example, Krause and Thornton III (2009).

⁴In the following, we refer to this third key competency only as "Activity Management."

report that, if individuals are facing difficult choices, choices they are likely to regret, or decisions with a high risk of failure, they prefer to give up autonomy (Novemsky, Dhar, Schwarz, & Simonson, 2007; Redelmeier & Shafir, 1995; Steffell et al., 2016; Tversky & Shafir, 1992). The tendency to cede decision-making to others is even more pronounced when decisions are made on behalf of others and not for oneself; if the outcome of the choice affects others, individuals perceive the situation as more daunting than if the consequences would only be realized privately. Thus, the expectation to bear the blame by others blocks making the decision in the first place.

Accordingly, Logistics Manager may want to shield and protect their organization in general, and their HR management in particular from the blame associated with hiring failures. Clearly, filling 100 vacancies at the same time leaves a lot of room for potential failure. Prior research has shown that involving others in the decisions can help to protect individual decision-makers. Collective action for uncertain outcomes reduces the amount of individual blame because mistakes cannot be attributed personally (El Zein, Bahrami, & Hertwig, 2019; Morey et al., 2012). The discomfort and displeasure that their decisions might cause for others induces decision-makers to turn toward third parties for relief. Steffell, Williams, and Perrmann-Graham (2016: p. 33) set forth that "[...] the ability to shoulder responsibility for the decision is more important than expertise when it comes to deciding for others, especially when a negative outcome seems possible."

Summarizing, through asking for advice and giving the impression of a joint and collective hiring decision, the hiring firm, Logistics Manager, becomes less vulnerable and less likely to be held accountable when potential hires turn out bad.

2.3 | The consequences of advice provision on advisee decision-making

The advice on which Logistics Manager relies comes from HR experts who bring in their own set of experiences and, thus, provide a new perspective to the hiring firm. As such, the HR specialists of Soft Recruiter can decide individually. Thus, their advice and errors do not vary systematically; "[w]hen people form opinions independently, their thought processes and motives are less affected by informational and normative influence, which allows them to convey an opinion based mainly on their own knowledge and expertise (Rader, Larrick, & Soll, 2017: p. 8)." The independent advice is an important input for Logistics Manager's selection process; it helps to overcome conformity biases, which reflect the assessors' intentions to confirm what they think the client wants and to avoid anchoring that would result in jointly producing more similar advice.

Critically though, Soft Recruiter's HR specialists must succeed in improving the Logistics Manager's decision-making. Related research in the consumer domain finds that individuals who must choose for others typically offer a greater variety, hoping that some of their recommended choices will meet the consent of the other (Choi, Kim,

Choi, & Yi, 2006). And those who give advice consider fewer attributes of the decision, which is noteworthy. They de-emphasize socially desirable dimensions and consequences of the decision (Jonas & Frey, 2003; Kray & Gonzalez, 1999). Also, they may recommend more responsible choices, for example when providing financial advice (Ward & Lynch, 2019; Zikmund-Fisher, Sarr, Fagerlin, & Ubel, 2006). Thus, recommending a course of action that is in the interest of the advice recipient involves a strong recipient focus on the side of the advisor.

Generally, such recommendations will therefore achieve a trade-off between the advice's recipients and the advisor's preferences (Liu, Dallas, & Fitzsimmons, 2019). More importantly, in our case, Soft Recruiter's HR specialists only inform Logistics Manager's decision-makers whereas autonomy over the decision still rests with the client company as the advice recipient. Taking the recruitment decisions independently but conditionally on Soft Recruiter's advice is key for Logistics Manager's HR department's self-concept; they do not follow the advice blindly (Brooks et al., 2015; Tost, Gino, & Larrick, 2012).

For the hiring decisions under investigation, Soft Recruiter's assessors provide a single recommendation for each candidate and inform about the candidates' individual attributes on which they base their recommendation. Using their evaluations of competencies and through their advices, they make a pointed assessment of the applicants. Unlike Logistics Manager itself, Soft Recruiter's HR specialists place emphasis on characteristics that they individually think serve best to predict future job performance.⁵ Accordingly, the two assessors can be expected to differ both in their evaluations of applicants' soft skill profiles and in their way of reaching their recommendations. At the same time, they are also expected to recommend a larger variety of individuals to Logistics Manager for further consideration. This recommendation behavior of Soft Recruiter's experts matches Logistics Manager's intentions in seeking their advice; as shown, for example, by Van Swol and Ludutsky (2007); individuals relying on advice are more tolerant for discrepant opinions if these are based on different perspectives than their own.⁶

Consequently, we anticipate that more independent and possibly divergent advice offered by Soft Recruiter's HR experts helps Logistics Manager to take better-informed hiring decisions. When deciding on the basis of its own prioritized objectives, Logistics Manager can even choose to incorporate the recommendation and, separately, the information about the assessment criteria. Thus, the client's management can either gain access to additional information or only validate its own expectations about the employee alternatives. In either case, Soft Recruiter's advice is expected to reduce uncertainty and to increase the chances to avoid mistakes. Hence, we conjecture that the advice increases precision in Logistics Manager's hiring process. Despite the differences in ratings and aggregation of ratings between

⁵In this regard, Hutzinger (2013) shows that a rater's personality and perceived expert status imprints his/her preferences even when being embedded in a group's decision.

⁶Judges, for example, benefit from the provision of diverging opinions from experts that have been called by the plaintiffs and defendants to inform their opinion (Broomell & Budescu, 2009).

the two assessors, we therefore expect to have a strong overlap between each of the two advisors' hiring recommendations and the actual hiring decisions.

3 | EMPIRICAL ANALYSIS

3.1 | Soft skill ratings and the evaluation of key job competencies

Table 1 provides summary statistics and bivariate correlations. We obtain complete observations regarding the appraisals of 281 applicants. The group assignment information is missing for two of these candidates. Hence, 279 applicants can be associated with Assessor 1 ($N = 120$) or Assessor 2 ($N = 159$). The candidate pool is characterized by an almost even split of men and women, with a mean age of around 40 and 12 years of relevant job experience. Roughly, one fourth of them possess a graduate degree, and 8% are internal candidates, current employees of the client firm. We also analyzed the distribution of candidate characteristics assigned to each assessor. We find no evidence for statistically significant differences between the two candidate pools (results are not tabulated but available upon request from the authors).

Logistics Manager and Soft Recruiter agreed on a rating system comprising eight dimensions. These dimensions are listed as the first eight variables in Table 1. Logistics Manager did not provide a profile of required soft skills, and Soft Recruiter broadly specified three key dimensions they would like to see reflected in the assessment of candidates: Personal Competency comprises Emotional Stability and Openness/Extraversion equally. Social Communication Competency is equally weighted among the dimensions Criticism/Conflict Resolution Skills, Teamwork Skills, and Communication Skills, and Activity/Leadership/Time Management equally reflects the dimensions Decisiveness, Self-Organization Skills, and Systematic Approach.

A separate factor analysis actually identifies only two distinct factors. Factor 1 comprises Emotional Stability, Openness/Extraversion, Criticism/Conflict Resolution Skills, Teamwork, and Communication. Cronbach's alpha indicates a very high internal consistency (.93). Factor 2 includes the remaining items. In the following, we refer to Factor 1 as "People Skills" and Factor 2 as "Analytical Skills." In our subsequent analyses of the determinants of the assessors' hiring recommendations and the client firm's hiring decisions, we use both Soft Recruiter's three competencies model and our own two-factor model in delineating differences between raters and in studying antecedents to subsequent hiring decisions.

Following our line of arguments from above, we suspect that each of the two assessors provides advice that informs the hiring company about potential strengths and weaknesses of said candidates. Table 2 reports t tests for sample mean comparisons for each item rating by assessor. We find sizable and highly significant differences for six out of eight ratings. The direction of these effects reveals that Assessor 2 rates candidates consistently higher than Assessor 1. To a lesser

extent, this difference pertains to the remaining two variables, Systematic Thinking and Self-Organization; however, the former difference is only significant at the 10% level, whereas the latter is insignificant. In summary, one assessor appears to score higher than the other does on all but two soft skill items.

In the next step of the process, assessors have been asked to evaluate the applicants according to the three key job competencies agreed upon by Logistics Manager and Soft Recruiter. Again, they were asked to use a 7-point Likert scale to carry out their aggregations of soft skill items. Table 3 reports mean comparisons for these variables. There are significant differences between the two assessors' evaluations of candidates by key job competencies. These differences could mirror the aforementioned differences in item ratings. Yet, if assessors indeed form different expectations about the advice recipient's needs, then both advice givers can be expected to use different individually derived aggregation weights for the perception of the key job competencies.

To test this prediction empirically, we analyze whether there exist differences in the aggregation of weights between assessors. In doing so, we apply constrained linear regressions for each of the three key job competencies. In particular, we omit the constant term, and we constrain the item ratings' coefficients such they add up to one. Hence, they can be interpreted as relative aggregation weights. We use Wald tests to compare the estimated coefficients. Table 4 shows the regression coefficients for each assessor. We also report the differences between coefficients and the results of the Wald significance tests for each item and the results of the combined Wald tests.

Concerning Personal Competency, Assessor 1 puts more weight on Emotional Stability than on Openness, whereas Assessor 2 weighs the two items equally; with a magnitude of 14 percentage points, this difference is large. The weights for Criticism and Communication in the regressions on Social Communicative Competency show only small differences between assessors. However, these differences accumulate to a large and significant difference of 13 percentage points in the weights on Teamwork, roughly twice the coefficient value for Assessor 2. A similar pattern is observable for Activity/Leadership/Time Management. The assessors' weights on Decisiveness and Systematic thinking differ only slightly. However, they add up to produce a significant difference of 18 percentage points between the two assessors' weights on Self-Organization, again approximately twice Assessor 2's coefficient value. Lastly, all combined tests indicate highly significant differences between the assessors' aggregation models. Assessor 2 weighs the different items more or less equally in his aggregations. In contrast, Assessor 1 appears to value at least one item as less important than another item in each of her aggregations.

Based on these results, we conclude that the aggregation models that the two assessors use to obtain the key competency scores differ significantly. In Table 4, we also report large confidence intervals of 95% for the coefficient estimates. These intervals imply that the aggregation models are subject to both interassessor and intra-assessor difference, which further corroborates that both assessors contribute unique information to Logistics Manager for further consideration.

TABLE 1 Descriptive statistics and correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
(1) Emotional stability	1.00																		
(2) Openness/Extraversion	.69	1.00																	
(3) Criticism	.82	.77	1.00																
(4) Teamwork	.67	.71	.70	1.00															
(5) Communication	.79	.77	.84	.73	1.00														
(6) Decisiveness	.37	.40	.44	.34	.44	1.00													
(7) Self-organization	.14	.22	.22	.16	.25	.30	1.00												
(8) Systematic thinking	.33	.41	.43	.34	.47	.40	.61	1.00											
(9) Personal Competence	.89	.84	.86	.73	.86	.43	.21	.41	1.00										
(10) Social-Communicative Competence	.83	.79	.91	.80	.91	.42	.21	.43	.88	1.00									
(11) Activity/Leadership/Time Mgmt	.48	.54	.56	.46	.59	.64	.68	.78	.56	.56	1.00								
(12) Hired	.25	.26	.25	.17	.25	.22	.26	.32	.28	.25	.34	1.00							
(13) Assessor (1, 2)	.22	.25	.17	.39	.23	.23	.08	.03	.30	.27	.20	-.04	1.00						
(14) Recommendation	.58	.55	.69	.40	.66	.33	.25	.42	.63	.64	.53	.32	-.07	1.00					
(15) Gender (M = 0, F = 1)	-.11	.06	-.08	.10	.01	.05	.06	.06	-.04	.00	.03	-.02	-.03	-.05	1.00				
(16) Age (years)	.09	.01	.09	-.07	.05	.02	-.21	-.14	.09	.06	-.12	.12	.01	.07	-.10	1.00			
(17) Doctoral Degree	.06	.09	.10	.02	.13	.02	.03	.12	.08	.11	.05	-.01	.03	.09	-.03	.09	1.00		
(18) Job experience (years)	.06	.04	.06	-.01	.05	-.02	-.13	-.10	.07	.06	-.08	.06	.01	.05	-.02	.72	.10	1.00	
(19) Internal Applicant	-.02	.06	.03	.04	.00	.01	.11	.05	.03	.03	.09	.13	-.02	.10	-.02	-.15	-.14	-.17	1.00
Mean	4.31	4.15	3.94	4.22	4.20	4.36	4.02	4.34	4.15	4.08	4.19	.18	.43	.40	.52	39.95	.25	12.18	.08
SD	1.30	1.38	1.41	1.28	1.41	1.11	1.64	1.48	1.32	1.37	1.17	.38	.50	.49	.50	6.88	.43	6.16	.27
Min	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	.00	.00	.00	.00	28.00	.00	.00	.00
Max	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	1.00	1.00	1.00	1.00	59.00	1.00	31.00	1.00

TABLE 2 Item differences by assessor

	Mean Assessor 1	Mean Assessor 2	Difference (t stat.)
People Skills			
Emotional stability	4.06	4.64	−0.58*** (−3.88)
Openness/ Extraversion	3.85	4.54	−0.68*** (−4.35)
Criticism	3.73	4.21	−0.48** (−2.90)
Teamwork	3.78	4.77	−0.99*** (−7.14)
Communication	3.91	4.56	−0.65*** (−4.02)
Analytic Skills			
Decisiveness	4.14	4.66	−0.52*** (−4.07)
Self- organization	3.90	4.18	−0.27 (−1.43)
Systematic thinking	4.30	4.40	−0.10 (−0.56)

* $p < .05$; ** $p < .01$; *** $p < .001$.

TABLE 3 Key competency differences by assessor

	Mean Assessor 1	Mean Assessor 2	Difference/ (t-stat.)
Personal Competency	3.79	4.60	−0.81*** (−5.44)
Social–Communicative Competency	3.75	4.50	−0.75*** (−4.87)
Activity Management	3.99	4.46	−0.47*** (−3.51)

* $p < .05$; ** $p < .01$; *** $p < .001$.

3.2 | The hiring recommendations

Following the soft skill assessments and aggregations to obtain evaluations of the key job competencies, Soft Recruiter's assessors provide hiring recommendations for each candidate. In order to analyze how the individual differences in assessments affect the hiring recommendation, we investigate the determinants of these individual recommendations using both Soft Recruiter's three competencies model and the empirically derived two-factor model.

Table 5 reports the marginal effects of multivariate logistic regressions with the assessors' hiring recommendations (cases "well suited" and "suited" indicate a positive recommendation) as the dependent variable. The table shows results for the pooled data and two separate analyses for the two assessors. With Soft Recruiter's model, all three key competencies positively affect the assessors' recommendations;

the marginal effects range from 27% (Personal Competency) to 19% (Social–Communicative Competency).

Recall that the two assessors differ with respect to the driving forces of their recommendation. Social–Communicative Competency is strongly predictive of Assessor 1's recommendation ($\beta = 0.56$, $p < .01$) and has no effect on Assessor 2's recommendation. At the same time, Personal Competency ($\beta = 0.23$, $p < .01$) is predictive for Assessor 2's recommendation but does not affect Assessor 1's recommendations. Only Activity Management significantly predicts both assessors' recommendations, with a larger effect in the case of Assessor 1. Lastly, academic degree is the only control variable that shows a significant impact, and only on Assessor 1's recommendation.

Once more, these results strongly support the notion that both assessors form expectations about the skills Logistics Manager's demands and that both assessors base their evaluation on individual and idiosyncratic determinants. These effects are further supported by using the two-factor model. Again, the two factors show very distinct effects. In the pooled regression, People Skills is far more important in predicting the consultants' recommendations; the variable's average marginal effect ($\beta = 0.68$) is twice the size of that of Analytic Skills ($\beta = 0.33$). Generally, the predictive power of both factors is stronger for Assessor 1's recommendations, with a coefficient value for People Skills for Assessor 1 that is three times the size that for Assessor 2 ($\beta = 1.26$ vs. $\beta = 0.4$). Accordingly, applicants with strong People Skills are more likely to receive a positive recommendation when evaluated by Assessor 1 than by Assessor 2. Concluding, both assessors not only provide recommendations; in addition, their individual competency ratings provide additional insights for Logistics Manager that can be used to support its subsequent hiring decision.

3.3 | The hiring decision

Having established that each one of the two assessors provides idiosyncratic advice to Logistics Manager, we now explore how the advice affects the hiring decision. Given the variety of expertise offered, we conjecture that Logistics Manager is in a better position to mitigate the downside of their hiring decisions and leverage the upside.

Recall that candidate competencies affect the consultants' recommendations. Therefore, both job competency and recommendation effects on the client's hiring decisions may be obscured by endogeneity. The error terms associated with regressions using the hiring recommendation as a predictor variable are correlated with the errors terms of regressions using hiring decisions as the dependent variable. Given the nature of our data, we estimate the true impacts of recommendations and assessor assignment on hiring decisions by applying treatment effect regressions with the actual hiring decision of Logistics Manager as the dependent variable.⁷ The procedure is as follows: in a first stage regression, we explicitly account for the relationship between competencies and the candidate recommendation; and in

⁷Unlike experimental research such as medical studies, which regularly overcome such endogeneity problems by design, our research cannot draw on additional data from placebo tests.

TABLE 4 Constrained linear regressions of soft skill item ratings on key job competency evaluations

	Assessor 1		Assessor 2		Diff
	Coefficient	Confidence Interval (95%)	Coefficient	Confidence Interval (95%)	
Emotional Stability	0.652***	(0.543, 0.761)	0.514***	(0.453, 0.576)	0.138**
Openness	0.348***	(0.239, 0.457)	0.486***	(0.424, 0.547)	−0.138**
Combined <i>F</i> test (Prob> <i>F</i>):					0.031
Criticism	0.475***	(0.354, 0.597)	0.409***	(0.337, 0.481)	0.066
Teamwork	0.143***	(0.070, 0.216)	0.276***	(0.225, 0.328)	−0.133***
Communication	0.382***	(0.248, 0.515)	0.315***	(0.236, 0.394)	0.067
Combined <i>F</i> test (Prob> <i>F</i>):					0.012
Decisiveness	0.453***	(0.351, 0.555)	0.350***	(0.309, 0.391)	0.103*
Self-Organization	0.166***	(0.085, 0.247)	0.349***	(0.282, 0.416)	−0.183***
Systematic thinking	0.381***	(0.277, 0.485)	0.301***	(0.240, 0.363)	0.080
Combined <i>F</i> test (Prob> <i>F</i>):					0.002

* $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

TABLE 5 Logistic regressions on assessors' recommendations

	Logistic both assessors	Logistic both assessors	Logistic Assessor 1	Logistic Assessor 2	Logistic Assessor 1	Logistic Assessor 2
Recommendation						
Personal Competency	.273*** (0.070)		.254 (0.146)	.232** (0.076)		
Social-Communicative Competency	.188** (0.063)		.555** (0.185)	.069 (0.067)		
Activity Management	.222*** (0.048)		.296** (0.109)	.200*** (0.054)		
Factor People Skills		.680*** (0.080)			1.261*** (0.274)	.406*** (0.074)
Factor Analytic Skills		.330*** (0.065)			.445** (0.140)	.292*** (0.073)
Gender a	−.041 (0.084)	−.036 (0.079)	−.021 (0.164)	−.034 (0.100)	.072 (0.153)	−.077 (0.096)
Assessor a	−.545*** (0.081)	−.489*** (0.077)				
Age	.003 (0.011)	.005 (0.010)	−.012 (0.018)	.016 (0.015)	−.005 (0.016)	.012 (0.014)
Doctoral degree a	.135 (0.106)	.134 (0.100)	.503** (0.190)	.011 (0.108)	.607** (0.202)	.020 (0.107)
Job experience	.009 (0.012)	.009 (0.011)	.024 (0.022)	−.001 (0.017)	.028 (0.019)	.001 (0.016)
Observations	281	279	157	124	155	124

Note. The table reports marginal effects. Standard errors in parentheses.

^aCoefficients apply to a discrete change of the dummy variable from 0 to 1.

* $p < .05$; ** $p < .01$; *** $p < .001$.

the second stage, we separate these selection effects and the direct impact of the recommendation on the hiring decision (Burke, Fraser, & Greene, 2010).

The regression results are reported in Table 6 and show a positive and significant effect of the recommendation on the hiring decision ($\beta = 0.353$, $p < .001$). Together with the aforementioned difference in the likelihood of receiving a recommendation from Assessor 1 or Assessor 2, this implies that a candidate has a higher chance to be hired if assigned to Assessor 1. In a second regression model, we further interact the variable “recommendation” with the other significant second-stage variable “Analytic Skills” ($\beta = 0.071$, $p < .05$). We find that candidates with stronger Analytic Skills are more likely to benefit

from a hiring recommendation if assigned to Assessor 1 (interaction; $\beta = 0.129$, $p < 0.05$).

On the one hand, this result provides a consistency check: Logistics Manager's hiring decisions appreciate the applicants' soft skill endowments, specifically their Analytic Skills. On the other hand, it confirms that there is a distinct recommendation effect on the client firm's hiring choices. Our previous analyses have shown that recommendations are assessor-specific and transmit different preferences regarding soft skill profiles, that is, different perceptions of the client firm's soft skill demand. We can therefore conclude that each of the two recruiters' recommendations substantially influence the client firm's hiring decisions.

TABLE 6 Treatment effect models

	Full Model	Interaction Model
Hired		
People Skills	−0.023	−0.025
Analytic Skills	0.071*	0.024
Recommendation	0.353***	0.335***
Analytic Skills × Recommendation		0.129*
Constant	0.033	0.026
Recommendation		
Personal Competency	0.747***	0.747***
Social–Communicative Competency	0.546**	0.546**
Activity Management	0.624***	0.624***
Age	0.005	0.005
Gender	−0.129	−0.129
Degree	0.379	0.379
Job experience	0.037	0.037
Assessor	−1.757***	−1.757***
Constant	−8.407***	−8.407***
Mills Ratio	−0.154*	−0.147*
Observations	279	279

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

3.4 | The effect of advice on the quality of the hiring decision

3.4.1 | Benchmarking and recommendation strategies

As shown in the previous section, recommendations offered by assessors strongly influence subsequent hiring decisions. Yet beyond these recommendations, our results highlight that the hiring client company also makes extensive use of their discretionary agency in decision-making. In line with our theoretical predictions, advice, in the form of the hiring recommendation, represents an aggregation of underlying assessment information. Thus, an assessor has to make choices with respect to the form of aggregation and how the acquired information is weighed to derive a candidate ranking that is recommend for further perusal of Logistics Manager.

Obviously, the value of the information contained in the recommendations depends on the assessment strategy, which has been employed by each assessor. For example, the assessor can, with the risk of possibly recommending too few candidates, opt to recommend just the very best candidates, or recommend—in this case, risking to endorse too many candidates—all capable applicants, that is, all those who meet some minimal standard. In the following, we therefore extend our analyses of the impacts of assessor recommendations on subsequent hiring decisions by investigating differences in the two assessors' recommendation strategies. Doing so, we aim at deriving suggestions to improve the advice-seeking and advice-utilization processes.

Recall that a client company generally turns to an external recruiter for candidate assessment to receive expert guidance in making better hiring decisions. Assessments provide such guidance by (a) identifying candidates who, given the client's demands, should be hired and by (b) eliminating unsuitable candidates. In the end, the advice-seeking client company decides on hiring a candidate or not according to its own preferences. Hence, we model the performance of the advice-utilization process in terms of a binary classification problem: we assess the explanatory power of the information provided by the assessors regarding the hiring decision made by the client company.

In medicine and clinical psychology, receiver operating characteristic (ROC) curve analysis is a well-established method to address analogous issues, such as whether a new diagnostic test properly separates individuals who qualify for a successful therapy of a disease or disorder from those who do not qualify for the treatment. Employing ROC graphs allows us to investigate the quality of the advice provided in explaining the ultimate hiring decision. Furthermore, we can benchmark the performance of each assessor individually and of both assessors collectively to better understand the advice giving strategies on which underlie the hiring recommendations.

We are specifically interested in the rate of true positive test result, sensitivity: the rate of correctly recommended individuals who were hired subsequently and specificity: the rate of true negative test results, those candidates that were assessed as unsuitable and were not hired subsequently.

3.4.2 | Regression specification, ROC curves, and reference points

To assess the performance of the advice in the form of hiring recommendations, we create a probabilistic classification model that includes all assessment information given to the client yet excludes the actual hiring recommendations to avoid overfitting the model. The graphical representation of the classification model depicts the explanatory power of the assessment information in explaining the dependent variable, that is, the final hiring decision by Logistics Manager. Given the binary nature of the dependent variable, we employ a linear logistic model. As explanatory variables, we include the item ratings and the assessor's aggregations of key competencies and control for age, academic degree, gender, and work experience.

From the logistic regression, we derive the predicted probabilities of being hired by the client firm for each candidate and transform these probabilities into percentiles. The first decile represents the candidates that the client firms considers most suitable and, thus, corresponds to the best chances of being hired. Accordingly, the tenth decile corresponds to those candidates who are least likely to be hired given the client firm's preferences. Subsequently, we calculate the corresponding rates of correctly predicted hirings and nonhirings for each percentile. These two rates express the "sensitivity" and "specificity" given the information from the soft skill assessments. Using this procedure, we calculate and plot three such curves. The first

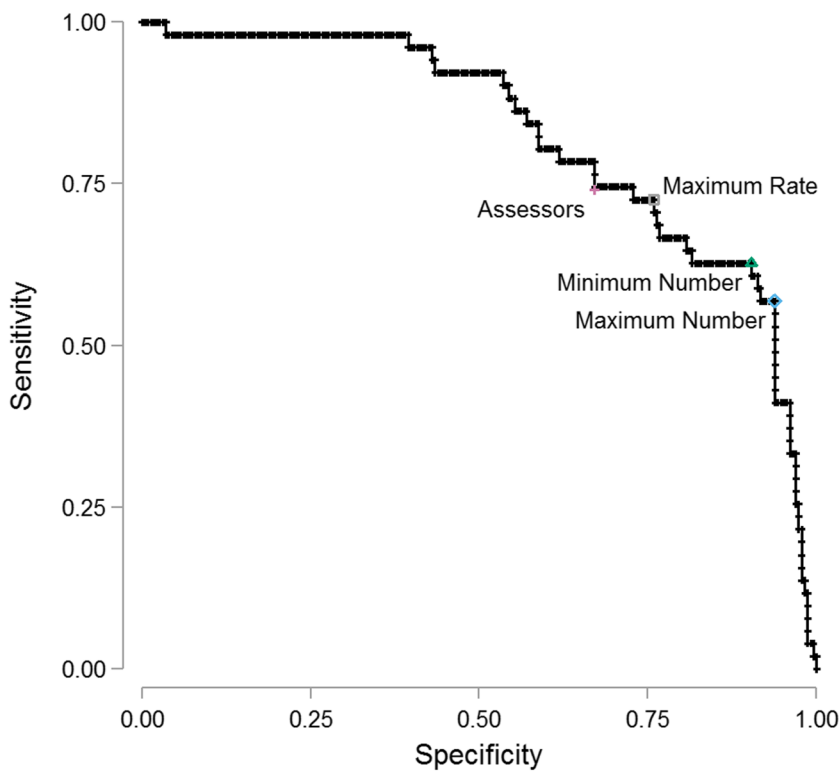


FIGURE 1 Receiver operating characteristic curve for the recruitment consultancy. Legend: Maximum Rate—correctly classified: 75%, cutoff point: top 33 %; Minimum Number—correctly classified: 85%, cutoff point: top 19 %; Maximum Number—correctly classified: 87%, cutoff point: top 15 %; Assessors—correctly classified: 68%, cutoff point (estimated): top 40% [Colour figure can be viewed at wileyonlinelibrary.com]

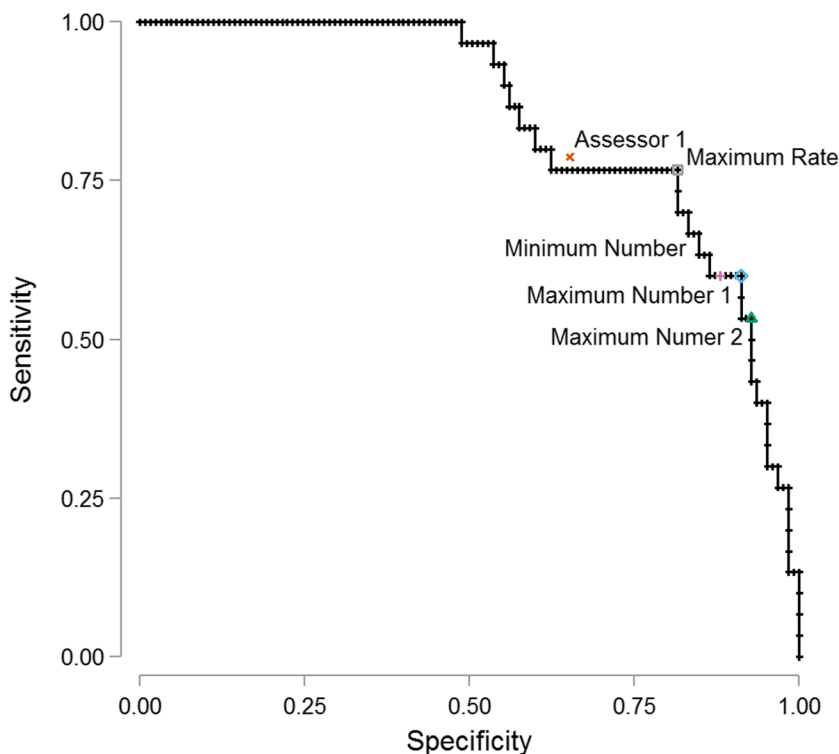


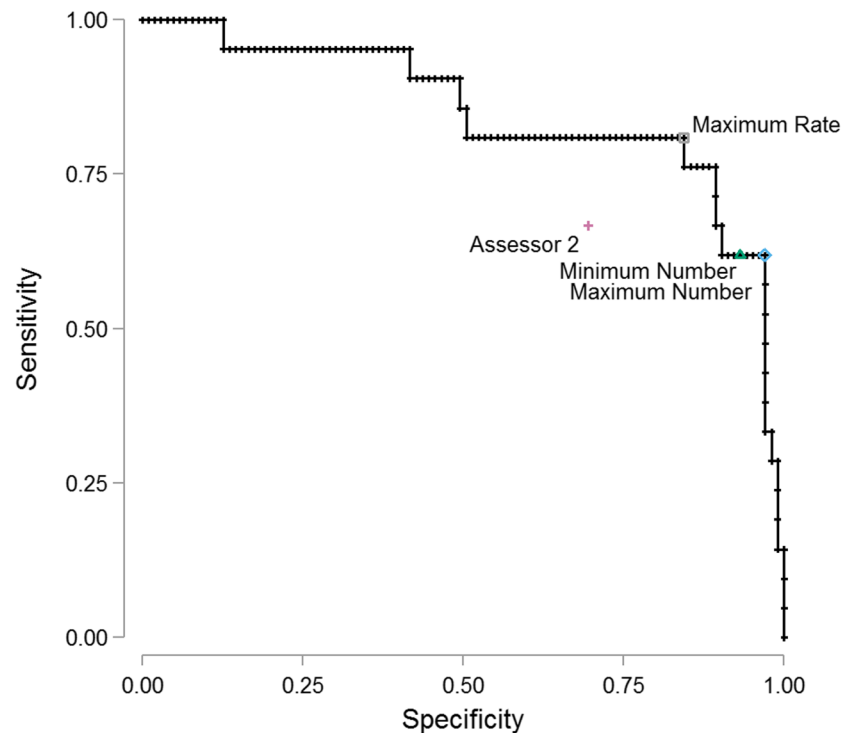
FIGURE 2 Receiver operating characteristic curve for Assessor 1. Legend: Maximum Rate—correctly classified: 81%, cutoff point: top 30 %; Maximum Number 2—correctly classified: 85%, cutoff point: top 16 %; Minimum Number—correctly classified: 83, cutoff point: top 21 %; Assessor 1—correctly classified: 67.8%, cutoff point: top 43.3% [Colour figure can be viewed at wileyonlinelibrary.com]

characterizes the quality of the recruitment consultant firm's assessment process; that is, in this case, we pool the data for both assessors and only add an assessor dummy into the regression; hence, we model the impact of the consultancy's recommendations as a whole based on two individual assessors' evaluation expertise. Next, we derive

ROC curves for each assessor separately. We depict our results in Figures 1–3.

The first and, possibly, most important benchmark addresses whether the assessor's advice is helpful for the client at all. For this purpose, note that the diagonal connecting the top left corner (100%

FIGURE 3 Receiver operating characteristic curve for Assessor 2. Legend: Maximum Rate—correctly classified: 84%, cutoff point: top 27 %; Minimum Number—correctly classified: 88%, cutoff point: top 16 %; Maximum Number—correctly classified: 91%, cutoff point: top 13 %; Assessor 2—correctly classified: 68.9%, cutoff point: top 36.4% [Colour figure can be viewed at wileyonlinelibrary.com]



sensitivity and 0% specificity) with the bottom right corner (100 % specificity and 0% sensitivity) corresponds to the outcomes that would result from a purely random classification model. Points found below this diagonal indicate that the assessment information would have actually misled the client in making its preferred choices. Conversely, a curve that bows above the diagonal implies that the assessment information is predictive of the client's decision-making. Generally, the closer the ROC curve extends toward the upper right corner in the graph, the better the assessors' recommendations explain the subsequent hiring decisions. Turning toward our results, Figure 1 clearly shows that involving the external recruiter's expertise in soft skill assessments transfers valuable information for the client firm's recruitment decisions. Also, the consultancy's classification point is very close to the ROC curve, which suggests that the consultancy and the hiring firm arrived at similar conclusions about candidates' fit for the job.

Because we, as academic researchers, cannot be sure whether, in this particular case, hiring a nonqualified applicant is relatively more or less costly in comparison with not hiring a suitable candidate, we construct different reference points that, in our view, reflect plausible goals. Our first reference point is denoted by "Maximum Number"; it maximizes the total number of both true positive and true negative assessment outcomes while holding the total number of correct classifications constant. Because there are more candidates than positions, this measure is skewed toward rather sorting out clear nonhiring cases to improve classification performance. The second reference point, "Maximum Rates," maximizes the diagnostic quality of the assessment process; that is, it maximizes the sum of specificity and sensitivity. In particular, this measure adjusts for group size.

Lastly, in order to reflect that clients might prefer quantity to quality, our third reference point, "Minimum Number," postulates that there must be at least one recommended candidate per open position. By construction, our first reference point, Maximum Number, is always located closer to the top right corner (indicating 100% specificity and sensitivity) compared with the latter two points, Maximum Rates and Minimum Number.

3.4.3 | Assessing the quality of the recommendations

Following the ROC curve from left to right, Soft Recruiter's recommendation decisions collectively become more selective, eliminating more and more of the low-scoring candidates from the groups of suitable applicants. Moving in this direction, we observe that the trajectory slopes downwards more strongly. This suggests an idiosyncrasy of the assessment process: it performs well at identifying candidates who are either clearly qualified or clearly unqualified but fails to distinguish borderline cases. In the following, we explore whether this observation reflects that both assessors' follow the same recommendation strategy. Alternatively, it could be an artifact, which is induced by our inclusion of two individual assessors' evaluations in a single model.

Figures 2 and 3 show the ROC curves using the data for each assessor separately. Assessor 1's assessment outcome coincides with the outcome of the assessment process for the consultancy as a whole as depicted in Figure 1. The curve indicates that Assessor 1 achieves very good results regarding the sensitivity criterion.

Assessor 1 succeeds in assigning nonhiring recommendations to the, according to her own soft skill evaluations, poorest candidates without sacrificing on the quality of classifying suitable candidates. In accordance with our theoretical discussion, Assessor 1 offers a larger quantity and broader variety of candidates for the client firm's management to choose from. She is also able to distinguish mid-range from high performers as well as weeding out low performers. Lastly, Assessor 1 achieves a very high level of congruence with Logistics Manager; her classification point is located almost on the ROC curve.

Assessor 2 is playing to different strengths. His ROC curve indicates that his advice is especially beneficial in the high specificity area. Assessor 2 successfully recommends top candidates without recommending too many candidates for hiring that were eventually not hired. To be precise, his performance in evaluating the soft skills of applicants is better than average in the top six deciles of candidates, which are ranked according to the client company's revealed hiring preferences. However, Assessor 2's evaluations are less predictive than those of Assessor 1 in successfully separating low and mid-level ranked candidates. Lastly, note that Assessor 2's classification point lies substantially off and, more importantly, below the ROC curve. Evidently, Assessor 2 failed to choose an adequate model to aggregate the information contained in his own evaluations.

In summary, we conclude that quality of the recommendation process is almost the same for each assessor (as indicated by the area under the curve), yet we find distinct strengths and weaknesses for each assessor. Both assessors seem to have employed different assessment information and advice strategies and, therefore, performed differently along the range of candidates who received their individual recommendations. A final comparison with our reference points shows that the performance achieved by Assessor 1 is closest to the Maximum Rates reference point on the ROC curve. This assessor therefore most closely achieves the objective of maximizing the diagnostic quality of the assessment process. Recall, however, that this well-acceptable goal from the point of view of HR experts does not necessarily correspond to the objective of a client firm in a particular recruitment process. Thus, Assessor 2's realized classification point is located closest to our Minimum Number reference point. Clearly, Assessor 2 has tried to compromise between the goal of maximizing the diagnostic quality of the assessment process and his client's (likely) goal of involving an external recruiter for enlarging the pool of suitable applicants.

4 | DISCUSSION, LIMITATIONS AND FURTHER RESEARCH

4.1 | Discussion of findings

Analyzing the case of a large-scale, partially outsourced recruitment process yields three key insights into the advice-seeking and advice-utilization process: first, we find that assessors form different expectations about the advice recipient's needs. Consequently, the

advisors employ different, that is, individually derived, weights when aggregating their soft skill ratings to obtain scores for the candidates' key job competencies. We suggest that such divergent opinions reflect the following theoretical rationale: when providing advice for the hiring company, the advisors must balance the recipients' preferences with their own personal views. Soft Recruiter's assessors therefore recommend options that, in their own individual opinion, best reflect the preferences, that is, the skill demands, of Logistics Manager.

Next, recall that the two assessors differ with respect to the underlying criteria for recommendations (Assessor 1: Social-Communicative Competency; Assessor 2: Personal Competency). This finding suggests that both assessors form different expectations about the skills, which their client might demand; the determinants of their evaluations are individual and idiosyncratic. The literature on prospective thinking and mental simulation discusses how individuals conjecture, project, and engage in mental activities to get a sense of possible future outcomes (Taylor, Pham, Rivkin, & Armor, 1998). Hence, research that would be directed at providing a more detailed understanding of how the recommendation belief of assessors are formed could help to disentangle the extent to which their assessments are based on their professional expertise and to what extent they are driven by the commercial goal to infer their client's demands (Loftus & Mazzoni, 1998).

Lastly, our results establish the influence of each of the two advisors hiring recommendations on the subsequent hiring decisions. Specifically, we find that both assessors' recommendations affect the client firm's hiring decisions, although they each reflect individually different opinions in regards to the skill profile that would serve the client best. As it concerns the client's own emphasis on specific skills, we find that candidates' Analytic Skills are predictive of hiring decisions. As it concerns the overall quality of the hiring process, expert guidance should either identify candidates who satisfy the clients hiring demands or eliminate unsuitable candidates. In regard to the goal of providing poignant assessments, we find that Assessor 1 performs relatively well in correctly recommending individuals who were hired subsequently, whereas Assessor 2 was better in filtering out those candidates as unsuitable that were not hired subsequently.

Existing literature suggests that individuals are more tolerant for discrepant opinions if these are expert and fact based. In the light of our results, we expect it to be worthwhile to further explore how assessor evaluations could be improved by forcing them to find a common yet still poignant ground (Van Swol & Ludutsky, 2007). Again, on first sight, the client firm could have benefitted if candidates would not have been exclusively assigned to only one of two assessors and, instead, both assessors' expert assessments would have entered each candidate assessment. Yet, following the remainder of our investigation, this benefit would only arise if such coordination between assessors would not average out their divergent opinions. Rather, the assessors should have prediscussed their recommendations and inform the client about the reasons to disagree on cases. The hiring firm could have used this information to improve its

precision when deciding on candidates, which were not evaluated as clearly suited or unsuited.

4.2 | Implications and contributions

Our study advances the advice-seeking and advice-utilization literature in several important ways. First, although prior work has focused on one-sided perspectives on advice-seeking or advice giving, we consider the final hiring decision by the advisee as conditional on the recommendation provided by the advisor. Our research therefore advances our understanding how the individual facets of advice provided affect the decision taken by the advisee subsequently. Along these lines, our research advances our general understanding of advice-seeking and advice-utilization as an interpersonal learning process. The offering of divergent opinions of advisors has important implications for advice-utilization. Those making the judgments and decisions are more likely to be persuaded if experts provided pointed and divergent opinions. This is important, as the literature on advice-utilization in hiring has swayed to the consequences of recommendations derived from group consensus. As a case in point, there is a growing interest in team staffing to improve hiring decisions (Munyon et al., 2011; Zaccaro & Diosa, 2012; Mathieu, Tannenbaum, Donsbach, & Alliger, 2014). Extending these research streams, we explore the consequences of individual (independent and unfiltered) advice on the decision-making by superiors and juxtapose the benefits and pitfalls of individual decisions versus those, which can potentially be derived from consensus recommendations.

We also contribute to prior work on advice-taking that broadly suggests how advice-taking behavior by the advice seeker is influenced by recipients' assessments of advisors (Reyt et al., 2016). Our results strongly suggest that advice-taking is conditional on the likely consequences of decisions that follow after the advice has been offered. Although relying on individual advice has benefits at the extremes of the soft skill distribution, it performs worse in the intermediate range. As such, individual recommendations can increase the boom or bust nature of hiring, by avoiding to average out across skills. This can be an important feature when the benefits of hiring successes loom larger and subsequent performance failures do not affect the financial and organizational bottom-line extensively. Along these lines, our work also challenges a prior notion that presumes that seeking help reflects an inability to independently complete tasks (Brooks et al., 2015). Rather, we show that whether or not the recipient will follow the advice is contingent on the consequences the recipient expects from the decision to be made.

Our findings also inform research on hiring decisions for the upper management of the organization. Given that preferences are revealed through individual ratings for each assessor's hiring recommendation, we can delineate biases that underlie the recommendations and provide an empirical tool to assess and potentially overcome such biases. Beyond the practical recommendation to potentially invite more candidates that underwent scrutiny by the assessor who

assesses more strictly, our results also inform related research. Hiring decisions formed by boards, as is typical for upper management positions, document that boards tend to favor executives that are similar to themselves, in terms of appearance and demographics (Graham, Harvey, & Puri, 2016; Zajac & Westphal, 1996). These evaluation biases are especially powerful when rational factors and objective information are difficult to obtain (Pfeffer, 1992). As such, these situations inherit the potential for functional, personal, and sociodemographic inbreeding (Smith & White, 1987).

Potentially and more importantly, future studies may need to investigate if and to what extent selection processes lead to a systematic discrimination of certain types of potential managers (e.g., individuals that do not possess the traits and features that are typically associated with soft skills and ability for performing certain jobs). Our methodological framework provides grounds to test for the how of consequences of certain types of biases and discrimination in hiring processes.

4.3 | Limitations and avenues for future research

Our study has to acknowledge several limitations though. Investigating a case, we could only aim at shedding some first light into the black box of RPO. In this regard, optimizing the diagnostic quality of its assessments may be an adequate objective for a recruitment consultancy that competes in the RPO market. Yet, a hiring company's recruitment goal depends on the relative costs associated with hiring an unsuitable applicant vis-à-vis not hiring a suitable one. These costs reflect the scarcity of particular talent in the labor market where a particular client firm meets up with its competitors and are determined by the necessities and opportunities to attract employees for shorter or longer terms. Although, at present, we can only illustrate plausible client goals, in practice, a hiring firm will be aware of its cost structure.

Finally, our analysis does not address soft skill assessment effects that arise from the particular way of organizing the assessment center that deviates from best practices (see e.g., International Taskforce on Assessment Center Guidelines, 2015). In particular, assigning only one assessor to each applicant group invites the risk that rater personality and rater-ratee matches may lead to biased candidate assessments. One reason for ignoring the issue in this study is that interrater reliability is high for trained professionals, and "various forms of assessor bias largely appear trivial." (Putka & Hoffman, 2013: p. 114). More importantly though, advice-seeking and advice-utilization processes involve more interactions between HR experts who, as assessors, rate candidates' soft skills and, as consultants, advise their clients on who to hire (Kinnunen & Parviainen, 2016).

Thus, although, in our case, it had been labelled as an assessment center exercise, the assessments themselves did not directly aim at selecting new employees, as it is modeled when testing for productivity effects of soft skills (Almlund, Duckworth, Heckman, & Kautz, 2011). Reaching beyond obtaining candidates' soft skill assessments,

the client firm asked for advice on potential hires and, in this regard, asked for poignant recommendations. Hence, the process itself and the implicative quality of its outcomes rather resemble a headhunting scenario, as studied by, for example, Brands and Fernandez-Mateo (2017). This previous work using actual field data shows that, in their preselection of candidates to be presented to client firms, recruitment consultants "bend the pipeline" against women. However, the studies lack detailed information on how the recruiters arrive at their recommendations. Our study complements the existing scarce field research on recruitment outsourcing by uncovering their opinions regarding the client company's skill demands, the transmission of these opinions into recommendations, and their subsequent influences on the client company's hiring decisions.

5 | SUMMARY AND CONCLUSIONS

We draw on unique data from a partially outsourced recruitment process to fill 100 rank-and-file management positions. On first sight, the hiring firm turned to a professionally specialized consultancy with the sole goal of obtaining assessments of its applicants' soft skills. However, closer investigation revealed that the consultancy's assessors actually advised their client in making hiring decisions in which the hiring firm retains full agency in decision-making. We therefore investigated the advice-seeking and advice-utilization process to determine how the information that is contained in the consultancy's expert advice affects the subsequent hiring decisions.

Field research on the determinants and effects of consultancy advice only rarely enters academic discussions. From an explorative point of view, our study therefore complements the few existing studies on RPO and the underlying information-gathering and decision-making process. Thus, our analysis shows that the consultancy's two assessors significantly differ not only in their rating candidates, but also in their aggregation of ratings to compute key competency scores and their appreciation of these competencies that leads to the hiring recommendation. However, despite these differences, we find that each of the two assessors provides information and recommendations, which distinctly guide the client firm's hiring decisions.

Recruitment for management positions requires making difficult decisions with long-term consequences, significantly affecting both the applicants' and the hiring firms' development. Hence, decision-makers in hiring firms are open for expert advice and appreciate divergent opinions. At the same time, seeking advice allows them to shift perceived responsibility for outcomes. In such situations, advisors who, for their own and their employer's benefit, must meet their client's skill demands can be expected to recommend a large variety of candidates as suitable for the hiring firm: in our case, both advisors were clear about separating certainly unsuitable from just as certainly suitable applicants. However, in order to enhance space for client choices, they failed to provide clear-cut hiring recommendations in the mid-tier of the soft skill distribution. Moreover, we find that—likely compromising between his employer's and his perceived client

interests—one of the two advisors did not fully exploit this advisory potential.

These findings call for cooperation between assessors to improve decision quality. Yet, the two assessors not only provide distinctly different skill ratings, competency scorings, and recommendations; each of the advisors also contributes a distinctly helpful guiding opinion to the client firm. This observation then equally warrants caution regarding the way to organize such cooperation. And averaging out divergent opinions must be avoided especially.

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DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

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